

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name		County
Fiscal Year End	Opinion Date		Date Audit Report Submitted to State	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


YES  
NO

**Check each applicable box below.** (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name)		Telephone Number		
Street Address		City	State	Zip
Authorizing CPA Signature 	Printed Name	License Number		

**District Court Funds of  
District No. 21  
City of Garden City, Michigan**

---

**Financial Report  
with Additional Information  
June 30, 2006**

# **District Court Funds of District No. 2 I**

## **City of Garden City, Michigan**

---

### **Contents**

<b>Report Letter</b>	<b>I</b>
<b>Financial Statement</b>	
Balance Sheet	2
Notes to Balance Sheet	3-4
<b>Other Supplemental information</b>	<b>5</b>
Schedule of Cash Receipts and Disbursements	6



Plante & Moran, PLLC  
Suite 400  
1000 Oakbrook Drive  
Ann Arbor, MI 48104  
Tel: 734.665.9494  
Fax: 734.665.0664  
plantemoran.com

## Independent Auditor's Report

To District Judge Richard L. Hammer, Jr.  
District Court No. 21  
Garden City, Michigan

We have audited the accompanying basic financial statement of the District Court Funds of District No. 21 (a component unit of the City of Garden City, Michigan) as of June 30, 2006. This financial statement is the responsibility of the 21<sup>st</sup> District Court of Michigan's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statement presents fairly, in all material respects, the financial position of the 21<sup>st</sup> District Court of Michigan as of June 30, 2006, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statement. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

The 21<sup>st</sup> District Court of Michigan has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statement.

*Plante & Moran, PLLC*

September 25, 2006

A member of



A worldwide association of independent accounting firms

# **District Court Funds of District No. 2 I**

## **City of Garden City, Michigan**

**Balance Sheet**  
**June 30, 2006**

	Depository Accounts	Bond Account	Total
<b>Assets - Cash (Note 2)</b>	<b><u>\$ 64,648</u></b>	<b><u>\$ 21,514</u></b>	<b><u>\$ 86,162</u></b>
<b>Liabilities</b>			
Due to District Control Unit	\$ 46,345	\$ -	\$ 46,345
Due to Wayne County Treasurer	535	-	535
Due to Wayne County Sheriff	672	-	672
Due to State of Michigan	17,096	-	17,096
Refundable bonds	<u>-</u>	<u>21,514</u>	<u>21,514</u>
Total liabilities	<b><u>\$ 64,648</u></b>	<b><u>\$ 21,514</u></b>	<b><u>\$ 86,162</u></b>

# **District Court Funds of District No. 21**

## **City of Garden City, Michigan**

---

**Notes to Balance Sheet**  
**June 30, 2006**

### **Note 1 - Significant Accounting Policies**

The funds of District Court No. 21, City of Garden City, Michigan (the "District Court") are Agency Funds. The financial activities of the funds are limited to collection of amounts that are subsequently returned or paid to third parties. Accordingly, the operations of the funds are limited to cash transactions. In accordance with accounting principles generally accepted in the United States of America, there are no component units to be included in this financial statement.

The following is a summary of the significant accounting policies used by the District Court:

The bond and general accounts of the District Court are Agency Funds. The financial activities of the funds are limited to collection of amounts that are subsequently returned or paid to third parties. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

### **Note 2 - Deposits**

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The District Court has designated one bank for the deposit of its funds. The investment policy adopted by the District Court in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above. The District Court's deposits and investment policies are in accordance with statutory authority.

# **District Court Funds of District No. 2 I**

## **City of Garden City, Michigan**

---

**Notes to Balance Sheet**  
**June 30, 2006**

### **Note 2 - Deposits (Continued)**

**Custodial Credit Risk of Bank Deposits** - The District Court's cash and investments are subject to custodial credit risk of bank deposits. Custodial credit risk is the risk that in the event of a bank failure, the District Court's deposits may not be returned to it. The District Court does not have a deposit policy for custodial credit risk. At year end, the District Court had deposits totaling \$86,162, all of which was covered by federal depository insurance. Additionally, the District Court evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

## **Other Supplemental Information**

---



# **District Court Funds of District No. 21**

## **City of Garden City, Michigan**

### **Schedule of Cash Receipts and Disbursements**

#### **Year Ended June 30, 2006**

	Depository Accounts	Bond Account	Total
<b>Cash Balance - July 1, 2005</b>	\$ 61,818	\$ 16,165	\$ 77,983
<b>Receipts</b>			
Fines and fees collected	820,823	-	820,823
Probation monies	48,797	-	48,797
Bond receipts	-	181,953	181,953
<b>Total receipts</b>	<b>869,620</b>	<b>181,953</b>	<b>1,051,573</b>
<b>Disbursements</b>			
Transfers to District Control Unit for distribution to:			
District Control Unit General Fund	551,517	-	551,517
District Control Unit Building Fund	30,756	-	30,756
District Control Unit Drunk Driving Fund	6,883	-	6,883
District Control Unit Police Dept. OUIL	10,430	-	10,430
State of Michigan	235,146	-	235,146
Wayne County Treasurer	22,192	-	22,192
Wayne County Sheriff	9,866	-	9,866
Bond refunds and forfeitures	-	176,604	176,604
<b>Total disbursements</b>	<b>866,790</b>	<b>176,604</b>	<b>1,043,394</b>
<b>Cash Balance - June 30, 2006</b>	<b>\$ 64,648</b>	<b>\$ 21,514</b>	<b>\$ 86,162</b>